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FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/47/751). During its consideration of the report, representatives of the Secretary-General provided additional information to the Advisory Committee.

2. The Security Council, by resolution 784 (1992), approved the proposal of the Secretary-General to extend the mandate of ONUSAL through 30 November 1992 and, by resolution 791 (1992), decided to extend it for a further period of six months through 31 May 1993, as recommended by the Secretary-General (S/24833 and Add.1).

3. The Committee recalls that in view of the lack of time to consider the Secretary-General's report on the financing of ONUSAL in December, the General Assembly, at its forty-seventh session, authorized the Secretary-General to enter into commitments up to the amount of $8,045,600 gross ($7,514,200 net) for the maintenance of ONUSAL for the period ending 28 February 1993 and apportioned that amount, as an ad hoc arrangement, among Member States in accordance with the scheme set out in its resolution 47/41 of 1 December 1992 (decision A/47/452 of 22 December 1992).

4. The Secretary-General states in section II of his report that as at 30 November 1992, assessments totalling $49,503,028 were apportioned among Member States for the financing of ONUSAL from 1 July 1991 to 31 October 1992, and as at 30 November 1992 payments received amounted to $37,894,597, resulting in outstanding assessments of $11,608,431. The Committee was informed that as at 31 December 1992, outstanding assessments for ONUSAL amount to $11,593,125. The financial performance of ONUSAL for the period 1 January to 31 October 1992 and November 1992 is summarized in annex I of the report, with supplementary information thereon in annex II.

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5. As indicated in paragraph 20 of the report, the General Assembly, in paragraph 9 of its resolution 46/240, decided, in principle, that the special accounts for the United Nations Observer Group in Central America (ONUCA) and ONUSAL should be merged. The Committee was informed that as at 31 December 1992, when the accounts were merged, total income for ONUCA amounted to $100,867,828 and net expenditure to $87,957,782, resulting in an unencumbered balance of $12,910,046 against outstanding assessments of $12,716,027 or an unutilized balance of $194,019. Annex V to the report shows the combined income and net operating expenditure for ONUSAL and ONUCA for the period ending 30 November 1992. Upon inquiry, the Committee was provided with the information for the above period as at 31 December 1992, showing a net operating deficit of $6,736,160 in the combined ONUSAL/ONUCA Special Account. However, the Committee was informed that an additional amount of $4,590,007 was received in January 1993 in respect of the ONUSAL/ONUCA Special Account for the previous mandate period, thus reducing the net operating deficit to $2,146,153 as at 31 January 1993. The Secretary-General recommends, in paragraph 22 of the report, that no action be taken at this time in connection with the combined income of $4,591,654 as at 31 December 1992 and that this amount be retained in the ONUSAL/ONUCA Special Account pending receipt of the outstanding assessed contributions for both missions.

6. With regard to the disposition of ONUCA-owned equipment not transferred to ONUSAL ($1,769,903), the Committee recalls that it was shipped to the United Nations Supply Depot at Pisa and placed in reserve for use by other peace-keeping missions. The Secretary-General stated in his report on the financing of ONUCA (A/47/556, para. 15) that when the remaining ONUCA-owned equipment is drawn from the reserve stock, appropriate credit will be recorded to the combined ONUSAL/ONUCA Special Account.

Expenditure from 1 January to 30 November 1992

7. The Committee was informed that the expenditure of ONUSAL for the period 1 January to 30 November 1992 as at 31 December 1992 amounts to $36,408,900 gross ($34,589,800 net) against an apportionment of $39 million gross ($37 million net), resulting in savings of $2,591,100 gross ($2,410,200 net). The Committee was further informed that the projected overexpenditures under military personnel ($236,100) and helicopter operations ($1,168,700) were mainly due to the one-month extension of the mandate, while substantial savings were made under international and local staff ($2,747,000), including civilian police ($318,600), and transport operations ($222,500).

8. The Committee points out that according to the financial performance report for the period 1 January to 30 November 1992 as at 31 December 1992, the projected expenditure varies considerably from the cost estimates and apportionment for that period. In this connection, the Committee recalls that following the Secretary-General's request for $48.8 million gross ($46.4 million net) for the period 1 January to 31 October 1992 (see A/46/900), the General Assembly, by its resolution 46/240, appropriated $39 million gross ($37 million net) for the 10-month period; as at 31 December 1992, the total savings amount to $2.6 million gross ($2.4 million net) after financing an additional month of the operation until 30 November 1992. The Committee further notes substantial savings under international staff salaries, travel of military personnel, civilian police and international and local staff,

prefabricated buildings and other items, compared to large overexpenditure under helicopter operations, commercial communication, other equipment and freight and cartage. The Committee was informed that savings under civilian personnel costs were due to a larger vacancy rate than expected and delay in the repatriation travel of staff.

9. The Committee is of the view that the cost estimates for peace-keeping operations should reflect more accurately the actual requirements while allowing some flexibility in carrying out a mission, taking into account the financial performance during previous mandate periods and similar operations. The Committee reiterates that substantial savings or overexpenditures in the financial performance of an operation should be well explained in the Secretary-General's report.

Cost estimates from 1 December 1992 to 31 May 1993

10. According to section V of the report, the Secretary-General estimates the costs of ONUSAL for the period 1 December 1992 to 31 May 1993 at $19,339,500 gross ($17,999,700 net) as summarized in annex III to the report, with supplementary information thereon in annex IV. The Committee was informed that owing to a number of adjustments for major expenditures, including reduction of military personnel, delay in recruitment of civilian police, a higher than projected vacancy rate for international staff, travel, reduction of helicopter and transport operations, general supplies and support account, the cost estimates for the above period have been reduced to $18.1 million gross ($16.7 million net).

11. Annex VI to the report provides the proposed revised staffing table for ONUSAL, including a decrease of eight international and six local posts, the proposed upgrading of one D-1 post to the D-2 level for a Deputy Chief of Mission and downgrading of 23 Professional posts (para. 18). Annex VII provides information on the functional titles and related job descriptions of the proposed posts. The civilian staff and related costs are shown in annex VIII and the distribution of civilian personnel by office in annex IX. The distribution of transportation and other equipment is indicated in annexes X and XI.

12. The Committee was informed that the estimated military personnel costs would decrease by $207,800 owing to a reduction of military observers, or 113 months of mission subsistence allowance.

13. Upon inquiry, the Committee was informed that the planned additional 50 civilian police monitors (annex IV, para. 10) have not arrived yet in the mission area due to delays by the contributing State, resulting in savings of $279,000.

14. The Committee was further informed that the projected vacancy rate of 5 per cent for international staff (ibid., annex VIII) would need to be adjusted to 26 per cent for Professional staff and 31 per cent for General Service and Field Service staff due to difficulties in recruiting or assigning qualified staff to the mission area, in particular human rights officers, resulting in savings of $790,600. Bearing in mind the projected savings of $1.4 million under international salaries for the period 1 January to

30 November 1992 owing to vacancies, or 29 per cent, excluding salaries for one additional month not budgeted for, and taking into account the pattern in other operations, the Committee is of the view that a projected 5 per cent vacancy rate is too low and the estimated civilian personnel costs are considerably higher than warranted. The Committee therefore recommends that, in future, appropriate adjustments should be made under civilian personnel costs.

15. With regard to mission subsistence allowance for military personnel, civilian police and international staff, the Committee notes that the proposed standard rate throughout El Salvador continues to be $64 per day for the first 30 days and $61 per day thereafter (annex IV, para. 2). In this connection, the Committee recalls its observation in its previous reports on ONUSAL (A/45/1021, para. 10, and A/46/904, para. 10) that it was not fully convinced of the need to grant ONUSAL staff substantially higher rates than for other United Nations staff in El Salvador, and under the circumstances requested the Secretary-General to review this allowance. The Committee notes that there is no indication in the Secretary-General's report that such a review was carried out.

16. The Committee notes that the salaries and staff costs for international staff are based on New York standard costs except for international staff on assignment from other United Nations organizations and mission staff (annex IV, para. 5), which are on average higher than those from other duty stations. The Committee is of the view that the estimated total remuneration of international staff, including General Service and Field Service staff, of about $59,590 gross ($49,775 net) per person for the six-month period (annex VIII), or $9,932 gross ($8,296 net) per month, is high. The Committee also believes that the estimated average total remuneration of local staff of about $4,702 gross ($4,150 net) per person for the six-month period (annex VIII), or about $784 gross ($692 net) per month, is high compared to the average local salary scale.

17. The Committee is also of the view that the number of staff in the Administrative Division (42 international and 75 local), or more than one third of the total civilian personnel of ONUSAL (annex IX) is high and could be reduced.

18. The Secretary-General proposes to upgrade the post of principal officer (D-1), Office of the Chief of Mission, to Deputy Chief of Mission at the D-2 level (annexes VI and VII) as a result of additional and unanticipated responsibilities, which have devolved upon ONUSAL in the course of promoting the implementation of the Peace Accords. In this connection, the Committee recalls its observations in its last report (A/46/904, para. 16) with regard to the proposed establishment of two additional D-2 posts for the period 1 January to 31 October 1992. While the Committee does not object to the proposed upgrading of one D-1 post for a Deputy Chief of Mission, the Committee recommends that the Secretary-General review the grades of the large number of 28 senior staff (1 ASG, 4 D-2, 6 D-1 and 17 P-5) of ONUSAL, which is a relatively small mission and at an advanced stage of its operation, with a view to streamlining its structure and making it more cost-effective. The Committee further reiterates its view that the personal level or recognition of an incumbent should not determine the level of a particular post (A/46/904, para. 16).

19. As indicated in annex IV, paragraph 11 (vi) of the report, provision of $58,300 is made for consultants to provide legal and other assistance, including 45 work months for research work in the Office of the Chief of Mission ($13,500). The Committee notes that the rate for one local lawyer has been increased to $3,000 per month although in its last report (A/46/904, para. 17) it was of the view that the rate of $2,500 per month was high and that a major part of these functions could be performed by the large civilian establishment of ONUSAL. The Committee further notes that provision of $8,800 is made under this item for public information publicity campaigns although in its last report the Committee stated that it was not convinced of the need to provide such assistance. The Committee therefore reiterates its request that the Secretary-General achieve maximum economy in this area (see para. 26 below).

20. With regard to the cost estimates for travel of military personnel ($532,500), civilian police ($1,125,000) and international and local staff ($30,000) (annex IV, paras. 8-11), the Committee trusts that the substantial savings under travel during the previous mandate period have been duly taken into account (see para. 8 above).

21. With regard to premises/accommodation ($405,800), the Committee notes that provision is made for the continued rental of ONUSAL headquarters, together with parking space, at $24,130 per month for six months ($144,780), four regional and two subregional offices ($40,380), four military regional offices and 17 police centres and lot rental for 15 trailers, hangars for helicopters and parking space near to the port for vehicles and storage of materials (annex IV, para. 12). Bearing in mind its observations in its last report (A/46/904, para. 20), the Committee was concerned that two years after its inception, ONUSAL continues to pay for parking space at its headquarters. The Committee points out that in its last two reports on the financing of ONUSAL (A/45/1021, para. 14, and A/46/904, para. 20) it recalled the obligations of the host country under the model status-of-forces agreement for peace-keeping operations (A/45/594) and trusted that the Secretary-General would pursue every effort with the host country to obtain premises for the operation of the Mission and the accommodation of the staff without cost to ONUSAL. The Committee therefore requests the Secretary-General to report on the efforts he has made in this regard in his next report on the financing of ONUSAL.

22. The Committee is of the view that following the reduction of 123 military personnel (annex IV, para. 6), and taking into account the continued high vacancy rate of international staff, the large vehicle establishment of ONUSAL (annex X) should be reduced in proportion to the reduction of personnel of the Mission and part of it redeployed to other operations or sold in the Mission area, resulting in savings and/or miscellaneous income.

23. The Committee believes that the proposed provision for vehicle maintenance ($279,600) at $103 per vehicle per month for 451 vehicles (annex IV, para. 17) appears to be high, taking into account that 334 vehicles were purchased in 1992 (A/46/900, annex IV, para. 31) and repair and maintenance costs are usually low in the first year of operation. In this connection, the Committee was informed that the estimated costs for repair and maintenance and for petrol, oil and lubricants would be reduced.

24. As regards helicopter operations ($1,434,000), provision is made for the commercial hiring of five helicopters for a period of six months at a monthly rate of $47,800 per helicopter (annex IV, para. 21). In this connection, the Committee recalls its observation in its last report (A/46/904, para. 23) that "considering the relative small size of the mission area, the existing infrastructure in the country, the large establishment of 467 vehicles, the relatively small core strength of 244 military personnel compared to large-scale operations, and taking into account that the separation of forces is now complete, the Committee was not convinced of the need to operate five helicopters for the entire mandate period". Upon inquiry, the Committee was informed that helicopter operations would be reduced, resulting in further savings of $166,000.

25. With regard to the provision for general supplies ($240,000) (annex IV, para. 30), the Committee was informed that there would be savings.

26. The Committee notes that provision is made for Office of Public Information equipment ($16,000) and various peace and education campaigns in the mission area ($120,000) (annex IV, paras. 27 and 31). The Committee recalls that in its last two reports on the financing of ONUSAL (A/45/1021, para. 17, and A/46/904, para. 25), it noted that efforts to initiate an information campaign to inform the public about the Mission under the Agreement, as indicated in the Secretary-General's report (A/45/242/Add.1, annex II, paras. 20 (c) and (i)), should be made through the local media in particular to achieve these aims. The Committee further recalled that the programme budget for 1992-1993, as approved by the General Assembly in resolution 46/186, provides under part VII, section 31, $100.9 million for public information, including $57 million for promotional services which covers peace and security and in particular activities relating to peace-keeping operations (A/46/904, para. 26).

27. The Committee was further informed that as a result of the high vacancy rate of international staff and savings of $790,600 (see para. 14 above), the estimated provision under the support account for peace-keeping operations ($605,800) (annex IV, para. 38) would be reduced by $67,200.

28. With regard to the cost estimates for premises, transport and air operations, communications, other equipment and supplies and services, the Committee recalls its recommendation in its recent report on the United Nations Operation in Mozambique (ONUMOZ) (A/47/896, para. 13) that "whenever cost-effective and technically feasible, every reasonable effort should be made by the Secretariat in accordance with established procurement procedures, to acquire services, resources and materials from local and area sources". In this connection, the Committee recalls that substantial savings were made under prefabricated buildings during the previous mandate period ending 30 November 1992 due to local procurement (see para. 8 above). The Committee trusts that ONUSAL will continue to maximize efforts in this regard.

29. In view of the Committee's observations and recommendations in paragraphs 10 to 28 above and the number of areas where savings can be made, the Advisory Committee recommends that the General Assembly appropriate for ONUSAL $17.2 million gross ($16.0 million net) for the period 1 December 1992 to 31 May 1993 (see para. 32 below).

30. With regard to the Secretary-General's recommendation (para. 23 (c)) to retain the combined miscellaneous and interest income of $4.6 million in the ONUSAL/ONUCA Special Account (see para. 5 above), the Committee saw no need to retain that amount, taking into account the current large unencumbered balance, the value of ONUCA-owned equipment in the United Nations Supply Depot ($1.8 million) and the unutilized portion of the appropriation provided for ONUCA following its termination with effect from 17 January 1992 ($4.7 million gross or $4.6 million net). In this connection, the Committee recalls that the mandate of ONUCA was terminated by the Security Council in its resolution 730 (1992) with effect from 17 January 1992, while the appropriations and assessments were made for the full mandate period until 30 April 1992. According to information from the Secretary-General, the assessment in the amount of $4.7 million gross ($4.6 million net) was not covered by the mandate of the Security Council. The Committee therefore requests the Secretary-General to address this issue and indicate in his next report on ONUSAL the action taken on the unutilized balance of ONUCA.

31. The Committee points out that the unencumbered balance referred to in paragraph 30 above comprises unutilized appropriations as well as miscellaneous and interest income. The Committee therefore recommends that the combined miscellaneous and interest income of $4.6 million be credited to Member States against assessments for ONUSAL in accordance with the United Nations financial regulations. The Committee further recommends that the Secretary-General pursue his efforts to collect the outstanding assessments for ONUCA and ONUSAL.

32. The Committee has been informed that the amount of $8,045,600 gross ($7,514,200 net), which was authorized for commitment and apportioned by the General Assembly last December for the period ending 28 February 1993 (see para. 3 above), has already been fully assessed. Thus, the total amount remaining to be assessed upon Member States for the current mandate period, after crediting the combined income of $4.6 million, is $4.6 million gross ($3.9 million net).

33. With regard to the period after 31 May 1993, the Committee recommends that the Secretary-General be given commitment authority in the amount of $2.9 million gross ($2.7 million net) per month for the period of the extension with the prior concurrence of the Advisory Committee should the Security Council extend the mandate of ONUSAL. In the light of its comments in paragraph 30 above, the Committee would first review the action taken by the Secretary-General on the unutilized balance of ONUCA and the financial status of the ONUSAL/ONUCA Special Account before it decides whether or not to authorize additional assessments for ONUSAL. Should the Security Council extend the mandate of ONUSAL, the Committee requests that the Secretary-General submit cost estimates for ONUSAL for the period after 31 May 1993 and a detailed performance report for the current mandate period as soon as possible and not later than 1 July 1993.